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Mahathir-Funds

M'SIA NOT TAKING UP S'PORE'S US\$4 BILLION LOAN, SAYS MAHATHIR

By: E Sivabalan

HANOI, Dec 17 (Bernama) -- Malaysia has decided not to accept Singapore's offer of a US\$4-billion loan to help overcome its financial problems as there is no real need now for the loan, Prime Minister Datuk Seri Dr Mahathir Mohamad said today.

"Because of that, we have decided that instead of linking the water supply to the loan, we should link the water supply to the resolution of the railway problem," he told reporters at the end of his four-day trip to Vietnam where he attended the Sixth Asean Summit here.

Dr Mahathir was referring to Singapore's request to extend its existing water pact with Malaysia beyond 2061 and Malaysia's justification to maintain its Customs, Immigration and Quarantine (CIQ) facilities at the Tanjung Pagar railway station in Singapore.

Although Malaysia had requested for the loan from Singapore, there was no real need for it now, said Dr Mahathir when asked to comment on Singapore Prime Minister Goh Chok Tong's statement earlier today that Malaysia has decided not to raise funds from Singapore as it was now able to raise the funds on its own.

Goh told reporters this after after bilateral talks with Dr Mahathir here today.

Dr Mahathir said in Kuala Lumpur last Nov 5 that Malaysia would raise funds from Singapore through bond sales.

Goh also said today that since Malaysia would not need to raise funds from Singapore, the water supply issue would be discussed separately.

Singapore, Goh said, had initially proposed a fund-for-water deal with Malaysia.

Asked on Goh's statement that Singapore and Malaysia have agreed to work out a package deal on some of their outstanding bilateral issues, including the CIQ facilities, Dr Mahathir said he suggested the package as he felt that it was best that both countries resolve the problems together and not separately.

Dr Mahathir was also asked if he and Goh discussed Singapore giving a further extension to the Dec 15 deadline for Malaysia to submit its written legal arguments to support its claims of a legal right to maintain its CIQ facilities at Tanjung Pagar.

Dr Mahathir replied: "There was nothing said about giving time except that we want to resolve the problem."

Goh had said that while the package deal was being finalised, Singapore would probably extend the deadline for Malaysia to submit its written legal arguments

Goh said apart from the CIQ facilities, the package would also include;  
+ Singapore's request for water and the use of Malaysian airspace for the republic's air force;

+ Malaysia's request for the withdrawal of the Central Provident Fund by peninsular Malaysians; and

+ the move by the Malaysian government not to allow trading of shares in Singapore's Central Limit Order Book (CLOB).

Dr Mahathir said Singapore should allow Malaysia to develop the parcels of land it owns in the republic in Tanjung Pagar, "some through joint-venture with Singapore and some for setting up new railway facilities."

On the water supply to Singapore, Dr Mahathir said although Malaysia

gave an undertaking to Singapore that it would continue to supply water even after 2061, "the terms need to be looked into whether we should continue to supply with raw water or with treat water, what is their quid proquo, etc."

Asked if it would be difficult to settle the problems between the two countries, including water supply since they were separate issues, Dr Mahathir said the issues were all linked.

"In any case, we want to resolve these problems once and for all. If we resolve one problem and leave the other problems, then the relationship will still be affected," he said.

"We have some idea about how to resolve them," he added.

-- BERNAMA

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